

TO: Board Members

THROUGH: Kevin Patteson, Executive Administrator
John Steib, Chief Deputy Executive Administrator
Jeff Walker, Deputy Executive Administrator, Water Supply and Infrastructure

FROM: David Meeseey, Program Specialist VII, Water Supply and Infrastructure
David Carter, Manager, Contracting and Purchasing

DATE: March 10, 2014

SUBJECT: Award of Fiscal Year (FY) 2014 Grants for Solicited Regional Facility Planning Grant Applications

ACTION REQUESTED

Authorize the Executive Administrator to: a) negotiate and execute contracts on or before July 17, 2014, in a total amount not to exceed \$500,000 for solicited grant proposals for the development of regional facility plans; and b) transfer funds from the Water Assistance Fund to the Research and Planning Fund.

BACKGROUND

On October 4, 2013, Texas Water Development Board (TWDB) staff published a Request for Applications (RFA) in the *Texas Register* for regional facility planning grants from the Research and Planning Fund (see Attachment A). The purpose of these planning studies is to evaluate and determine the most feasible alternatives to meet water and/or wastewater facility needs. Nine applications were received by the submittal deadline of December 20, 2013.

KEY ISSUES

Total funding for Fiscal Year 2014 (FY14) for regional facility planning grants is not to exceed \$500,000. Funding requested by nine applicants totaled \$1.245 million.

Staff reviewed, evaluated and ranked the applications using the General Research and Planning Fund eligibility criteria identified in 31 Texas Administrative Code §355.5(4)(A-H). The applications were evaluated for consistency with the approved regional water plans and all scope of work tasks were evaluated for responsiveness to the RFA, eligibility, reasonableness of budget, and for potential duplication of effort in regional water supply planning.

An application summary of each of the recommended applications is contained in Attachment B.

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To provide leadership, planning, financial assistance, information, and education for the conservation and responsible development of water for Texas

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Kevin Patteson, Executive Administrator

The following table includes staff's ranking of the applications and funding requested by each.

Ranking/Applicant	Requested Funding	Staff Recommendation-Not To Exceed Amount
1 FHLM WSC	\$175,000	\$175,000
2 City of McAllen	\$30,000	\$30,000
3 RGRWA	\$300,000	\$295,000
4 Edinburg	\$43,842.38	\$0
5 Cleburne	\$187,500	\$0
6 Laredo	\$50,000	\$0
7 Martindale	\$75,000	\$0
8 Houston	\$83,520	\$0
9 GBRA	\$300,000	\$0
TOTAL	\$1,244,862.38	\$500,000

Staff Recommendation

Staff recommends funding the three highest ranked of the nine applications in the amounts requested except for Rio Grande Regional Water Authority (RGRWA) and funding that application in the amount of \$295,000 in order not to exceed the \$500,000 available funding.

This recommendation has been reviewed by legal counsel and is in compliance with all applicable statutes and TWDB rules.

Les Trobman, General Counsel

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Request for Applications for Regional Water and Wastewater Facility Planning

The Texas Water Development Board (Board) requests, pursuant to 31 Texas Administrative Code (TAC) Chapter 355, Subchapter A, the submission of planning grant applications leading to the possible award of contracts for regional facility planning. This planning will evaluate and determine the most feasible alternatives to meet water supply and/or wastewater facility needs, estimate the costs associated with implementing feasible water supply and/or wastewater facility alternatives, and identify institutional arrangements to provide water supply and/or wastewater services for areas in Texas. In order to receive a grant, the applicant must have the authority to plan, implement, and operate regional water supply and/or wastewater facilities.

Planning grant applications may be submitted by eligible political subdivisions from any area of the state. To be eligible for funding, at least two political subdivisions must participate in the proposed study and more than one service area must be evaluated for feasibility of regional facilities. In addition, applicants must supply a map of the geographical planning area to be studied.

Description of Planning Purpose and Objectives. Note: studies related to the development of regional water supply plans, the evaluation of water supply alternatives, and drought response plans, as described in Texas Water Code §16.053, are not eligible for funding under this Request for Applications. The purpose of this program is for the state to assist local governments to prepare plans that document water supply and/or wastewater service facility needs, identify feasible regional alternatives to meet water supply and/or wastewater facility needs, and present estimates of costs associated with providing regional water supply facilities and distribution lines and/or regional wastewater treatment plants and collection systems. The study should, at a minimum, include the following steps:

1. Develop Problem Statement;
2. Inventory Existing Conditions and Forecast Future Conditions and Needs;
3. Formulate Planning Alternatives;
4. Evaluate and Compare Each Planning Alternative; and
5. Select Best Planning Alternative.

If unavailable, a water conservation plan and a drought management plan must be developed to ensure that existing and future sources are used efficiently and as a basis for confirming demand projections of future need. The Board's population and water demand projections will be

considered in preparing projections. Discrete phases to implement regional water supply and/or wastewater facilities to meet projected needs will be identified. Environmental, social, and cultural factors for possible solutions identified in the plan should be evaluated. Cost estimates will be made for each respective implementation phase to determine the capital, operation, and maintenance requirements for a 30-year planning period. Separate cost estimates will be made for each regional water supply and/or wastewater system component, including the water conservation program.

Description of Funding Consideration. An amount not to exceed \$500,000 has been initially authorized for Fiscal Year 2014 assistance for regional facility planning from the Board's Research and Planning Fund. Up to 50 percent funding may be provided to individual applicants, with up to 75 percent funding available to areas identified in 31 TAC §355.10(a) as economically disadvantaged. In the event that acceptable applications are not submitted, the Board retains the right not to award contract funds.

Deadline, Review Criteria, and Contact Person for Additional Information. Six double-sided copies on recycled paper and one digital copy (CD) of a complete regional facility planning grant application including the required attachments must be filed with the Board prior to 12:00 p.m., Friday, December 20, 2013. Applications can be directed either in person to Mr. David Carter, Texas Water Development Board, Stephen F. Austin Building, 1700 North Congress Avenue, Austin, Texas or by mail to Mr. David Carter, Texas Water Development Board, P.O. Box 13231, Austin, Texas 78711-3231.

Applications will be evaluated according to 31 TAC §355.5. All potential applicants can contact the Board to obtain these rules and an application instruction sheet. Requests for information may be directed to David Meesey at the preceding mailing address, by e-mail at david.meesey@twdb.texas.gov or by calling (512) 936-0852. More information can be found on the Internet at the following address: <http://www.twdb.texas.gov>.

TRD-201304183

Kenneth Petersen

General Counsel

Texas Water Development Board

Filed: September 20, 2013

APPLICATION SUMMARIES

Falls, Hill, Limestone and McLennan Counties Water Supply Corporation

Research and Planning Fund Category:
Regional Water Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$175,000
Local Cash	\$121,000
Local In-Kind Services	\$65,000
Total Project Costs	\$361,000

Participants:

Falls, Hill, Limestone and McLennan Counties (FHLM) Water Supply Corporation; the four counties; Brazos River Authority; Southern Trinity Groundwater Conservation District; four cities; twelve other water supply corporations; Tri-county Special Utility District; Heart of Texas Council of Governments; Moore Water System; Cargill Meat Solutions; and Sanderson Farms.

Planning Area:

The city limits, extraterritorial jurisdictions, and service areas, of study participants.

Project Description:

Facility planning to study alternative transmission and delivery options for regional water service in the study area.

Study Duration:

12 months from contract execution.

City of McAllen

Research and Planning Fund Category:
Regional Water Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$30,000
Local Cash	\$30,000
Local In-Kind Services	\$0
Total Project Costs	\$60,000

Participants:

City of McAllen; East Rio Hondo Water Supply Corporation; City of Harlingen; Hidalgo Municipal Utility District; Olmito Water Supply Corporation; and City of San Benito.

Planning Area:

The city limits of the participating municipalities, their extraterritorial jurisdictions and the service areas of the participating water supply corporations.

Project Description:

Facility planning to study the feasibility of establishing a regional source water quality network and develop operational changes in the water treatment systems of the study participants.

Study Duration:

10 months from contract execution.

Rio Grande Regional Water Authority**Research and Planning Fund Category:**

Regional Water Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$300,000
Local Cash	\$300,000
Local In-Kind Services	\$0
Total Project Costs	\$600,000

Participants:

Forty municipalities and special districts or water supply corporations and twenty-eight irrigation districts in Hidalgo, Cameron and Willacy counties.

Planning Area:

The authority's service area in Hidalgo, Cameron and Willacy counties.

Project Description:

Facility planning to develop a comprehensive management plan for the area, including determining the feasibility of developing regional water supply systems.

Study Duration:

14 months from contract execution.

City of Edinburg

Research and Planning Fund Category:

Regional Wastewater Reuse Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$43,842.38
Local Cash	\$43,842.38
Local In-Kind Services	\$0
Total Project Costs	\$87,684.76

Participants:

City of Edinburg, University of Texas-Pan American and Edinburg Consolidated Independent School District

Planning Area:

City limits and extraterritorial jurisdiction of the City of Edinburg.

Project Description:

Facility planning to study the feasibility of delivering treated wastewater to U.T. - Pan American and Edinburg CISD campuses for irrigation and use in cooling towers.

Study Duration:

10 months from contract execution.

City of Cleburne

Research and Planning Fund Category:

Regional Wastewater Reuse Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$ 187,500
Local Cash	\$ 187,500
Local In-Kind Services	\$ 0
Total Project Costs	\$ 375,000

Participants:

City of Cleburne, Cleburne Independent School District, Texas Health Cleburne and James Hardie, Inc.

Planning area:

City of Cleburne and extraterritorial jurisdiction.

Project description:

Regional facilities planning for the West Loop wastewater reuse project.

Study duration:

10 months from contract execution.

City of Laredo**Research and Planning Fund Category:**

Regional Watershed Protection Facility Planning Grant study of the Devil's River and Pecos River watersheds.

Proposed Project Funding:

State Requested Share	\$ 50,000
Local Cash	\$ 50,000
Local In-Kind Services	\$ 0
Total Project Costs	\$ 100,000

Participants:

City of Laredo and Sutton County Groundwater Conservation District.

Planning area:

Watersheds of the Pecos and Devil's rivers in Crockett, Sutton, Val Verde, Kinney, Maverick, Webb, Zapata, Starr and Hidalgo counties.

Project description:

Watershed study including groundwater modeling to estimate effects of reduced precipitation and groundwater export on the flows of the Pecos and Devil's rivers.

Study duration:

Twenty four months from contract execution.

City of Martindale

Research and Planning Fund Category:

Regional Wastewater and Reuse Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$ 75,000
Local Cash	\$ 75,000
Local In-Kind Services	\$ 0
Total Project Costs	\$ 150,000

Participants:

City of Martindale, City of San Marcos and Guadalupe-Blanco River Authority.

Planning area:

City of Martindale, City of San Marcos and extraterritorial jurisdictions.

Project description:

Regional wastewater facility planning and reuse study in Martindale and the developing area between Martindale and San Marcos.

Study duration:

Six months from contract execution.

City of Houston

Research and Planning Fund Category:

Regional Water Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$ 83,520
Local Cash	\$ 41,720
Local In-Kind Services	\$ 41,800
Total Project Costs	\$ 167,040

Participants:

City of Houston and Harris County.

Planning area:

Houston and northeast Harris County area in the vicinity of Lake Houston.

Project description:

Regional wastewater facility planning to study the feasibility of replacing septic tanks in the Lake Houston area with an organized wastewater treatment system.

Study duration:

Ten months from contract execution.

Guadalupe-Blanco River Authority**Research and Planning Fund Category:**

Regional Water Facility Planning Grant

Proposed Project Funding:

State Requested Share	\$ 300,000
Local Cash	\$ 300,000
Local In-Kind Services	\$ 0
Total Project Costs	\$ 600,000

Participants:

GBRA, City of Goliad, Goliad County and GDF Suez, Inc.

Planning area:

All or parts of ten counties in the GBRA service area (Kendall, Comal, Hays, Caldwell, Guadalupe, Gonzales, DeWitt, Victoria, Calhoun and Refugio).

Project description:

Regional water facility planning to study the feasibility of co-locating desalination facilities at electric power plants.

Study duration:

Fourteen months from contract execution.